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RIEDEL

R E S O U R C E S

RIEDEL RESOURCES LIMITED
ABN: 91 143 042 022

2021 HALF-YEAR REPORT



**Half-Year Report
31 December 2021**

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Corporate Directory

Non-Executive Chairperson

Michael Bohm

Non-Executive Directors

Grant Mooney

Scott Cuomo

Jason Pater

Company Secretary

Susan Field (Appointed on 1 July 2021)

Principal and Registered Office

Suite 4, 6 Richardson Street
West Perth WA 6005
Telephone: +61 8 9226 0085

Auditors

Stantons
Level 2, 40 Kings Park Road
West Perth WA 6005

Share Registry

Computershare Investor Service Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Bankers

National Australia Bank
50 St Georges Terrace
Perth WA 6000

Australia and New Zealand Banking Group
Limited
77 St Georges Terrace
Perth WA 6000

Solicitors

Hamilton Locke
Level 27/152-158 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange
ASX Code: RIE

Website Address

www.riedelresources.com.au

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Directors' Report

Your directors present their report on the consolidated entity consisting of Riedel Resources Limited ("Riedel" or "the Company") and the entities it controlled ("the Group") at the end of, or during, the half-year ended 31 December 2021.

1. Directors and company secretary

The following persons were directors of Riedel Resources Limited during the half-year and up to the date of this report:

Directors

Michael Bohm

Grant Mooney

Scott Cuomo

Jason Pater

Company Secretary

Grant Mooney (resigned 30 June 2021)

Susan Field (appointed 1 July 2021)

2. Review of Operations

Corporate

Financial Performance and Position

The net operating loss after tax for the half year ended 31 December 2021 was \$292,156 (31 December 2020: \$3,027,376).

As at 31 December 2021 the Company had cash and cash equivalents of \$1,765,429 (30 June 2021: \$2,723,188).

September 2021 Placement

On 1 September 2021, following shareholder approval received at General Meeting of Shareholders held on 26 August 2021, the Company issued 4,000,000 fully paid ordinary shares at an issue price of \$0.015 each to participating directors or their nominee to raise \$60,000 prior to issue costs. Share application monies totalling \$60,000 before issue costs were received in prior year and were classified and included as other payables as at 30 June 2021.

Directors' Report

2. Review of Operations (continued)

Exploration

Kingman Gold Silver Project

Riedel continue to carry out exploration activities on its Kingman Project, where it can earn up to an 80% interest, located in the north-west of Arizona.

In late 2021, Riedel completed a 48-hole (4,190m) RC drilling program focussing on the Tintic target. The drilling followed on an area where drilling in early 2021 had confirmed shallow mineralisation and had returned high-grade gold and silver assay results. The program also extended drilling to the south.

Assay results from the program included:

- **5.3m @ 18.1 g/t gold & 24 g/t silver** from 23.6m
- **1.5m @ 35.6 g/t gold & 42 g/t silver** from 30.5m
- **2.3m @ 9.49 g/t gold & 55 g/t silver** from 13.7m
- **0.8m @ 18.3 g/t gold** from 41.5m
- **6.9m @ 3.1 g/t gold** from 25.9m
- **2.3m @ 3.43 g/t gold & 24 g/t silver** from 13.7m
- **4.6m @ 12.43 g/t Au** from 45m
- **6.9m @ 2.84 g/t Au & 82 g/t Ag** from 18.3m
- **2.3m @ 5.40 g/t Au & 125 g/t Ag** from 77m
- **2.3m @ 3.35 g/t Au** from 44.2m
- **1.5m @ 4.36 g/t Au, 84 g/t Ag, 2.0% Pb & 3% Zn** from 74.7m

The gold and silver mineralisation at Tintic appears to be contained within shallow flat dipping veins which comprise of varying amounts of quartz, clay and sulphide mineralisation. There is also continued indication of a stacked lode/sill complex.

The shallow depth of the intersected mineralisation lends itself to the future potential for open pit mining methods to be applied.

Directors' Report

2. Review of Operations (continued)

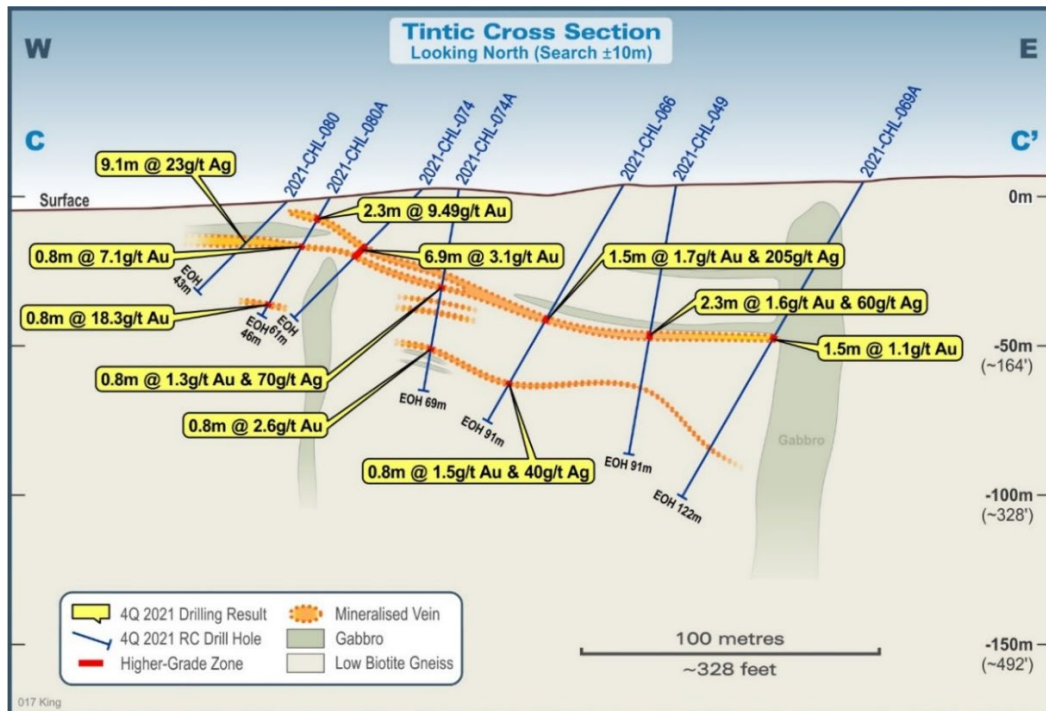


Figure 1 Tintic Cross Section

Marymia Gold Copper Project

Joint venture manager Norwest Minerals Limited (84.3%) advised it had commenced exploration planning to follow-up on positive base and precious metal aircore drilling results from work completed in the September 2021 quarter.

Exploration is targeting near-surface lead, zinc and nickel intersected along 1km of strike at the Jenkins prospect that included:

- 28m @ 0.9% Pb (inc. 8m @ 2.5% Pb) from 28m in MMAC21049
- 6m @ 0.7% Zn (inc. 2m @ 1.5% Zn) from 28m in MMAC21051
- 40m @ 0.18% Ni from 4m in MMAC21043

Exploration is also being planned to follow-up at Area 2, where hole MMAC21035 intersected 4m @ 2.5g/t gold from 32m within a 400m gold zone; mineralisation is open down-dip.

Directors' Report

3. Events occurring subsequent to reporting Date

On 22 February 2022, Riedel announced to the ASX that it had received firm commitments to raise \$1,050,000 (before costs) in a well-supported share placement to sophisticated and professional investors. Certain directors and related parties including Flagstaff Minerals intend to participate in the placement (in aggregate of \$340,000), subject to shareholder approval to be obtained at a General Meeting to be held on 8 April 2022.

On 28 February 2022, Riedel announced that it had raised an initial \$710,000 (before costs) ("Tranche 1") through the issue of 71,000,000 fully paid ordinary shares in the Company at an issue price of \$0.01.

There is no other material event subsequent to reporting date.

4. Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the Corporation Act 2001.



Michael Bohm
Non-Executive Chairman
Perth, Western Australia, 15 March 2022



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Australia
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West Perth WA 6005
Australia
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ABN: 84 144 581 519
www.stantons.com.au

15 March 2022

Board of Directors
Riedel Resources Limited
Suite 4
6 Richardson Street
West Perth WA 6005

Dear Sirs

RE: RIEDEL RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Riedel Resources Limited.

As Audit Director for the review of the financial statements of Riedel Resources Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An authorised audit company)

A handwritten signature in blue ink that reads "Martin Michalik".

Martin Michalik
Director



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Half-Year Financial Report 31 December 2021

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Riedel Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers the consolidated entity consisting of Riedel Resources Limited and its consolidated entities. The financial report is presented in the Australian currency.

Riedel Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Riedel Resources Limited
Suite 4, 6 Richardson Street
WEST PERTH WA 6005

A description of the nature of the Group's operations is included in the directors' report on pages 2 - 5, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 15 March 2022. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.riedelresources.com.au.

**Consolidated Statement of Profit or Loss
and Other Comprehensive Income**
For the Half-Year Ended 31 December 2021

	NOTES	31 December 2021 \$	31 December 2020 \$
Interest income		281	198
Other revenue		5,494	9,267
Total revenue	4	5,775	9,465
Administration expenses		(163,100)	(89,247)
Employee benefits expense		(134,831)	(111,650)
Share based payments	13	-	(2,775,000)
Write-off exploration and evaluation expenditure	5	-	(60,944)
Loss before income tax expense		(292,156)	(3,027,376)
Income tax expense		-	-
Loss for the year		(292,156)	(3,027,376)
Other comprehensive income/(loss) <i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operation		196	(2,246)
Total comprehensive Loss for the period		(291,960)	(3,029,624)
Basic and diluted earnings per share (cents)		(0.03)	(0.65)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

As at Half-Year Ended 31 December 2021

	NOTES	31 December 2021 \$	30 June 2021 \$ (As Restated Note 17)
Current Assets			
Cash and cash equivalents	6	1,765,429	2,723,188
Trade and other receivables	7	36,287	145,729
Total Current Assets		1,801,716	2,868,917
Non-Current Assets			
Exploration and evaluation expenditure	8	3,223,445	2,466,911
Total Non-Current Assets		3,223,445	2,466,911
Total Assets		5,025,161	5,335,828
Current Liabilities			
Trade and other payables	9	42,237	119,663
Total Current Liabilities		42,237	119,663
Total Liabilities		42,237	119,663
Net Assets		4,982,924	5,216,165
Equity			
Contributed equity	10	23,300,668	23,241,949
Share based payment reserve	12	2,809,800	2,809,800
Foreign currency translation reserve	14	3,523	3,327
Accumulated losses	15	(21,131,067)	(20,838,911)
Total Equity		4,982,924	5,216,165

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2021

	Contributed Equity	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	23,241,949	3,327	2,809,800	(20,838,911)	5,216,165
Profit/ (Loss) for the period	-	196	-	(292,156)	(291,960)
Total comprehensive loss for the period	-	196	-	(292,156)	(291,960)
<i>Transactions with owner, recorded directly in equity</i>					
Contributions of equity (net of transaction costs)	58,719	-	-	-	58,719
	58,719	-	-	-	58,719
Balance at 31 December 2021	23,300,668	3,523	2,809,800	(21,131,067)	4,982,924
Balance at 1 July 2020	19,237,097	(124)	34,800	(17,374,569)	1,897,204
Profit/ (Loss) for the period	-	(2,246)	-	(3,027,376)	(3,029,622)
Total comprehensive loss for the period	-	(2,246)	-	(3,027,376)	(3,029,622)
<i>Transactions with owner, recorded directly in equity</i>					
Contributions of equity (net of transaction costs)	2,316,830	-	-	-	2,316,830
Share based payments	-	-	2,775,000	-	2,775,000
	2,316,830	-	2,775,000	-	5,091,830
Balance at 31 December 2020	21,553,927	(2,370)	2,809,800	(20,401,945)	3,595,412

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2021

	NOTES	31 December 2021 \$	31 December 2020 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(311,077)	(142,089)
Payments for exploration and evaluation written off		-	(60,944)
VAT refund		-	219,000
Interest received		281	198
		<u>281</u>	<u>198</u>
Net cash (used in)/ generated from operating activities		<u>(310,796)</u>	<u>16,165</u>
Cash Flows from Investing Activities			
Payment for exploration and evaluation capitalised		(651,372)	(60,579)
		<u>(651,372)</u>	<u>(60,579)</u>
Net cash (used in) investing activities		<u>(651,372)</u>	<u>(60,579)</u>
Cash Flows from Financing Activities			
Proceeds from issued capital		-	2,000,000
Payments for share issue costs		(1,281)	(13,169)
		<u>(1,281)</u>	<u>(13,169)</u>
Net cash (used in)/ provided by financing activities		<u>(1,281)</u>	<u>1,986,831</u>
Net cash (decrease)/ increase in cash and cash equivalents		<u>(963,449)</u>	<u>1,942,417</u>
Cash and cash equivalents at the beginning of the period		2,723,188	885,629
Effects of foreign currency exchange		5,690	(2,246)
		<u>5,690</u>	<u>(2,246)</u>
Cash and cash equivalents at the end of the period	6	<u>1,765,429</u>	<u>2,825,800</u>

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards IAS 34: Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Riedel Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The interim report has been prepared on a historical cost basis, modified where applicable by the measurement of fair value of selected financial assets and financial liabilities. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, other than as disclosed below.

Going Concern

The consolidated financial statements have been prepared on a going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets, discharge its liabilities in the ordinary course of business and meet exploration budgets. In arriving at this position, the Directors recognise the Group is dependent on various funding alternatives to meet these commitments which may include share placements and suitable project funding arrangements including earn-ins, joint ventures or project divestment.

The loss for the half year ended 31 December 2021 was \$292,156 with \$1,765,429 of cash and cash equivalents and net assets of \$4,982,924 as at 31 December 2021.

The Group has prepared a 13-month cashflow that demonstrates a positive cash position.

The Directors believe that at the date of signing the financial statements there are reasonable grounds to believe that having regard to matters set out above, the Directors are confident that Group will be able to raise additional capital if required to meet its obligations as and when they fall due.

The consolidated financial statements do not include any adjustments relating to recoverability or classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

New and revised accounting standards and interpretations adopted by the Group

The Group has considered the implications of new and amended Accounting Standards but determined their application to the financial statements is either not relevant or not material.

Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

2. Segment information

Operating segments are presented using the “management approach”, where the information presented is on the same basis as the internal reports provided to the directors. The directors are responsible for the allocation of resources to operating segments and assessing their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia, United States and Spain. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

2. Segment information (continued)

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

31 December 2021	Australia	United States	Spain	Unallocated	Total
	\$	\$	\$	\$	\$
Interest revenue	281	-	-	-	281
Other revenue	5,494	-	-	-	5,494
Total segment revenue and other income	5,775	-	-	-	5,775
Net profit / (loss) before tax	(277,955)	-	(14,623)	422	(292,156)
Reportable segment assets	2,270,767	2,563,490	190,904	-	5,025,161
Reportable segment liabilities	(42,237)	-	-	-	(42,237)
30 June 2021	Australia	United States	Spain	Unallocated	Total
	\$	\$	\$	\$	\$
Interest revenue	405	-	-	-	405
Net profit / (loss) before tax	(3,445,118)	-	(19,497)	273	(3,464,342)
Reportable segment assets	3,325,276	1,806,956	203,596	-	5,335,828
Reportable segment liabilities	(121,398)	-	1,735	-	(119,663)

3. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

4. Revenue

	31 December 2021 \$	31 December 2020 \$
<i>Revenue from continuing operations</i>		
Interest received	281	198
<i>Other income</i>		
Foreign currency unrealised gain	5,494	-
Other income	-	9,267
	5,775	9,465

5. Expenses

	31 December 2021 \$	31 December 2020 \$
<i>Loss for the year includes the following expenses:</i>		
Superannuation – defined contribution	6,500	6,650
Write-off of exploration expenditure	-	60,944

6. Cash and cash equivalents

	31 December 2021 \$	30 June 2021 \$
Cash on hand	312	312
Cash at bank	1,765,117	2,722,876
	1,765,429	2,723,188

7. Trade and other receivables

	31 December 2021 \$	30 June 2021 \$
Prepayments	22,670	18,703
GST/VAT paid	7,702	8,029
Other debtors	5,915	118,997
	36,287	145,729

Condensed Notes to the Consolidated Financial Statements
For the Half-Year Ended 31 December 2021

8 Exploration and evaluation expenditure

	31 December 2021 \$	30 June 2021 \$ (As Restated Note 17)
Gross capitalised exploration and evaluation expenditure	3,344,300	2,587,766
Less: allowance for impairment	(120,855)	(120,855)
Net amount	<u>3,223,445</u>	<u>2,466,911</u>
<i>Exploration and evaluation expenditure reconciliation</i>		
Opening balance	2,466,911	780,810
Exploration and evaluation activities funded on behalf of Flagstaff Minerals (US) Inc as earn-in contributions (i)	756,534	1,476,956
Other consideration paid in accordance with the terms of earn-in agreement (ii)	-	330,000
Impairment	-	(120,855)
Closing balance	<u>3,223,445</u>	<u>2,466,911</u>

Kingman Project Earn-In

As announced to Australian Securities Exchange on 22 October 2020 (“Commencement Date”), the Company entered into an agreement to acquire up to an 80% interest in the shares of Flagstaff Minerals (USA) Inc (“Flagstaff:”) (“the Agreement”), an unlisted company incorporated in the United States which holds the rights to 100% of the Kingman Gold Silver Project, located in the north-west of Arizona.

During the period, the Company has continued to focus on progressing the exploration and evaluation on the Kingsman Project to advance its option to acquire an interest in the project in accordance with the terms set out in the Agreement.

- (i) In accordance with Stage 1 of the Agreement – Initial Exploration Expenditure
- Riedel must expend at least AUD\$1,500,000 on the Kingman Project within 12-months from the Stage 1 Commencement Date, being 22 October 2020.
 - Riedel must expend AUD\$5,000,000 on the Kingman Project within 3 years from the Stage 1 Commencement Date, being 22 December 2023 to obtain a 51% equity interest in Flagstaff USA (Stage 1 Earn-In).
 - On meeting the \$5,000,000 spend and to allow Riedel to move to Stage 2, Riedel is then required to issue 100,000,000 shares at a deemed issue price of \$0.055 per RIE Share to obtain a 51% equity interest in Flagstaff USA.
 - On meeting these requirements and providing Flagstaff with a written election notice, the commencement date for Stage 2 will commence at the date that the Stage 1 expenditure requirement is met.

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Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

8 Exploration and evaluation expenditure continued

In the event that Riedel withdraws before completing the Stage 1 Earn-In, subject to Riedel incurring at least AUD\$1,500,000 of expenditure on the Kingman Project within 12-months from the Stage 1 Commencement Date, Riedel shall obtain a 15% equity interest in Flagstaff USA.

As at 31 December 2021 the Company has contributed \$2,233,490 (June 2021: \$1,476,956)

- (ii) On 11 December 2020 the Company issued 60,000,000 fully paid ordinary shares to Flagstaff Minerals Limited ("Flagstaff") at an issue price of \$0.055, which at that time were subject to voluntary escrow for 6 months, in accordance with the terms of the Agreement. To date there has been no change in Flagstaff's holding.

9 Trade and other payables

	31 December 2021	30 June 2021
	\$	\$
Trade creditors and other payables	10,904	91,663
Accruals	31,333	28,000
	<u>42,237</u>	<u>119,663</u>

10. Contributed Equity

	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Shares	Shares	\$	\$
(a) Issued capital	966,707,062	962,707,062	23,300,668	23,241,949
Ordinary shares – fully paid	<u>966,707,062</u>	<u>962,707,062</u>	<u>23,300,668</u>	<u>23,241,949</u>
	Date	Shares	Issue Price	Total \$
(b) Movements in issued capital				
Opening Balance 1 July 2021		962,707,062		23,241,949
Directors' Placement	1 Sep 21	4,000,000	\$0.015	60,000
Less: Transaction costs				(1,281)
Closing Balance at 31 December 2021		<u>966,707,062</u>		<u>23,300,668</u>

Directors placement

On 1 September 2021, following shareholder approval received at General Meeting of Shareholders held on 26 August 2021, the Company issued 4,000,000 fully paid ordinary shares at an issue price of \$0.015 each to participating directors or their nominee to raise \$60,000 prior to issue costs. Share application monies totalling \$60,000 were received in prior period and were classified and included as other payables at 30 June 2021

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Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

11 Share options

	Exercise price	Balance at start of period/year	Granted during the period/year	Exercised during the period/year	Cancelled/lapsed during the period/year	Balance at end of the period/year
Unlisted option details – As at 31 December 2021						
23 Nov 21	11.00cents	10,000,000	-	-	(10,000,000)	-
14 Dec 23	1.25cents	150,000,000	-	-	-	150,000,000
Closing balance 31 Dec 21		160,000,000	-	-	(10,000,000)	150,000,000
Weighted average exercise price		1.86 cents	-	-	11.00 cents	1.25 cents
Unlisted option details – As at 30 June 2021						
23 Nov 21	11.00cents	10,000,000	-	-	-	10,000,000
14 Dec 23	1.25cents	-	150,000,000	-	-	150,000,000
Closing balance 30 Jun 21		10,000,000	150,000,000	-	-	160,000,000
Weighted average exercise price		11 cents	1.25 cents	-	-	1.86 cents

The weighted average remaining contractual life of options at the end of the period/financial year was 2.0 years (30 June 2021: 2.3 years).

12 Share based payments reserve

	31 December 2021	30 June 2021
	\$	\$
Opening balance	2,809,800	34,800
Unlisted options issued	(i) -	2,775,000
Total unlisted options reserve	2,809,800	2,809,800

(i) Refers to fair value of options issued in accordance with AASB 2 Share Based Payment.

The unlisted options reserve records items recognised on valuation of director, vendor and consultant share options. Information relating to options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year is set out in notes 11 and 13.

Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

13 Share based payments

(a) Fair value of unlisted options granted

There were no unlisted options issued during the half-year period, however the carried forward value of 150,000,000 unlisted options issued during the 2021 financial year was calculated using Black-Scholes Option Price Model and totalled \$2,775,000. The values and inputs are as follows:

Underlying share price	\$0.0250	Share price volatility	100%
Exercise price	\$0.0125	Expiry date	14 Dec 2023
Risk free interest rate	0.10%	Value per option	\$0.0185

Per volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on historical exercise patterns, which may not eventuate in the future. Details of other options movements and balances are set out in note 11.

14 Foreign currency translation reserve

	31 December 2021	30 June 2021
	\$	\$
Opening balance	3,327	(124)
Exchange difference	196	3,451
Total Foreign currency translation reserve	<u>3,523</u>	<u>3,327</u>

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

15 Accumulated losses

	31 December 2021	30 June 2021
	\$	\$
Accumulated losses at the beginning of the year	(20,838,911)	(17,374,569)
Net (loss) for the period/year	(292,156)	(3,464,342)
Accumulated losses at the end of the period/year	<u>(21,131,067)</u>	<u>(20,838,911)</u>

16 Events occurring Subsequent to Reporting Date

On 22 February 2022, Riedel announced to the ASX that it had received firm commitments to raise \$1,050,000 (before costs) in a well-supported share placement to sophisticated and professional investors. Certain directors and related parties including Flagstaff Minerals intend to participate in the placement (in aggregate of \$340,000), subject to shareholder approval to be obtained at a General Meeting to be held on 8 April 2022.

On 28 February 2022, Riedel announced that it had raised an initial \$710,000 (before costs) ("Tranche 1") through the issue of 71,000,000 fully paid ordinary shares in the Company at an issue price of \$0.01.

There is no other material event subsequent to reporting date.

Condensed Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2021

17 Comparatives

Where necessary, comparatives have been reclassified for consistency with the current period disclosure.

The following item have been reclassified within the Consolidated Statement of Financial Position:

	30 June 2021		
	As previously stated	Reclassification	As restated
	\$	\$	\$
Non-current assets:			
Financial assets	1,806,956	(1,806,956)	-
Exploration and evaluation expenditure	659,955	1,806,956	2,466,911
	2,466,911	-	2,466,911

During the period, the Board re-assessed the classification and presentation of the prepaid acquisition costs associated with the option to acquired up to 80% of the Kingman Project and exploration and evaluation activities funded to be in line with the provisions of AASB 6, and as such was reclassified under "Exploration and Evaluation expenditure".

18 Commitments

Expenditure commitments

A further AUD\$2,766,510 to be paid prior to 22 December 2023 to obtain 51% of the Kingman Project (in unison with an issue of 100,000,000 shares in Riedel to Flagstaff).

Directors' Declaration
For the Half-Year Ended 31 December 2021

In the directors' opinion:

- (a) the consolidated financial statements and notes set out on pages 7 to 19 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Riedel Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Michael Bohm
Non-Executive Chairman
Perth, Western Australia, 15 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RIEDEL RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Riedel Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Riedel Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Riedel Resources Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 15 March 2022.

Responsibility of the Directors for the Financial Report

The directors of Riedel Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

A handwritten signature in blue ink that reads "Martin Michalik".

Martin Michalik
Director

West Perth, Western Australia
15 March 2022

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